

HOUSE BILL REPORT

HB 2060

As Reported by House Committee On:

Health Care
Appropriations

Title: An act relating to expanding participation in state purchased health care programs.

Brief Description: Expanding participation in state purchased health care programs.

Sponsors: Representatives Cody, Schual-Berke, Appleton, Morrell, Moeller, Green, Clibborn, Kenney, Upthegrove, Conway, Chase, Darneille, Haigh and Santos.

Brief History:

Committee Activity:

Health Care: 2/24/05, 2/28/05 [DPS];

Appropriations: 3/5/05 [DPS(HC)].

Brief Summary of Substitute Bill

- The Health Care Authority will solicit applications from health carriers for both subsidized and nonsubsidized Basic Health Plan enrollees.
- Individuals applying for Basic Health Plan coverage will take the individual market health screen prior to acceptance.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Cody, Chair; Campbell, Vice Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Lantz, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

Staff: Dave Knutson (786-7146).

Background:

Currently, health carriers may cover subsidized or nonsubsidized enrollees in the Basic Health Plan. They are not required to cover both groups. Individuals who apply for coverage in the individual market are required to complete a health screen prior to acceptance by a health carrier. If the screen determines they are in the top 8 percent of persons who are the most

costly to treat, the health carrier may decline to offer them coverage in the individual market and refer them to the Washington state health insurance pool. There is no requirement that an individual applying for coverage through the basic Health Plan take a health screen as part of the application process. Health carriers may provide coverage for subsidized or nonsubsidized enrollees in the Basic Health Plan, but they are not required to cover both groups.

Summary of Substitute Bill:

The Health Care Authority will solicit applications from health carriers for both subsidized and nonsubsidized Basic Health Plan enrollees. Individuals applying for Basic Health Plan coverage will take the individual market health screen prior to acceptance. Individuals who fail the health screen will be rejected for Basic Health Plan coverage and be referred to the Washington State Health Insurance Pool for coverage. Health carriers who provide coverage through the Basic Health Plan must cover both subsidized and nonsubsidized enrollees, unless they do not offer individual health benefit plans.

Substitute Bill Compared to Original Bill:

The substitute bill removes the requirement that health carriers must serve nonsubsidized Basic Health Plan enrollees if the carrier does not offer individual health benefit plans. Nonsubsidized Basic Health Plan enrollees who fail the health screen will be rejected for Basic Health Plan coverage and referred to the Washington State Health Insurance Pool.

Appropriation: None.

Fiscal Note: Requested on February 17, 2005.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: This legislation will not help the uninsured or businesses looking to purchase affordable health coverage for enrollees.

Persons Testifying: (Opposed) Sydney Zvara, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Health Care be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Sommers, Chair;

Fromhold, Vice Chair; Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia and Schual-Berke.

Minority Report: Do not pass. Signed by 12 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: David Pringle (786-7310).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Requested on February 17, 2005.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (Comments) We have been working with our actuaries, and this is unlikely to affect rates in the subsidized Basic Health Plan (BHP). Three of our five providers are also interested in developing a new unsubsidized product that this bill enables. The product would probably be very similar to that provided by the BHP today.

Testimony Against: We oppose this on the lack of a fiscal note. The conditions imposed on carriers because of the Washington State Health Insurance Pool is substantial and growing. We ask that the bill be held until a fiscal analysis is complete.

Persons Testifying: (Opposed) Mel Sorensen, American Health Insurance Plans.

(Comments) Pete Cutler, Health Care Authority.

Persons Signed In To Testify But Not Testifying: None.